# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:4917
ANSWERED ON:31.03.2017
Independent External Monitor for Disinvestment
Chandumajra Shri Prem Singh

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government proposes to overhaul its disinvestment policy for the Public Sector Undertakings (PSUs) and if so, the details thereof;
(b) whether the Government proposes to set up an independent external monitor to oversee strategic sale of PSUs and if so, the details thereof; and
(c) whether the Government has identified any PSUs for disinvestment and if so, the details thereof?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a): The extant disinvestment policy, inter alia, envisages:

(i) Disinvestment through minority stake sale in listed CPSEs to achieve minimum public shareholding norms of 25 per cent. While pursuing disinvestment of CPSEs, the Government will retain majority shareholding, i.e. at least 51% and management control of the Public Sector Undertakings.

(ii) Listing of CPSEs to facilitate improved people''s ownership and efficiency of company through accountability to its stake holders;

(iii) Strategic disinvestment by way of sale of substantial portion of Government shareholding in identified CPSEs upto 50 per cent or more, along with transfer of management control.

(b): The Government, on 26th June, 2016, has constituted an Independent External Monitor (IEM) comprising the following eminent persons:

(i) Hon'ble Justice R.C. Lahoti, Former Chief Justice of India
(ii) Shri V.K.Shunglu, Ex-Comptroller and Auditor General of India (CAG)
(iii) Shri P. Shankar, Ex-Central Vigilance Commissioner (CVC)
The IEM will act as an Oversight Committee for strategic disinvestment with the following mandate:

(i) To vet the process of valuation of the CPSE/Units;
(ii) To oversee the transaction process of strategic disinvestment of CPSE/Unit;
(iii) To examine and address the grievance received; and
(iv) Any other matter that is referred to IEM by the Government.

(c): As a part of the strategy to keep shares readily available for transaction to take advantage of market conditions without any loss of time, the Government has identified some CPSEs for minority stake sale in sectors like mineral & metal, oil, capital goods as well as some mid-size and small stocks.

Government has given 'in-principle' approval for strategic disinvestment of some CPSEs, Units of CPSEs and subsidiaries of CPSEs. However, after completion of the process, specific approval of Government will be sought in each case.

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